



1 quarter report

May 1, 2009 - July 31, 2009

09/10

SUMMARY (numbers in thousands)

	First Quarter		Year-To-Date	
	This Year	Last Year	This Year	Last Year
NET SALES	\$ 15,871	\$ 13,037	\$ 15,871	\$ 13,037
NET INCOME	\$ 3,709	\$ 776	\$ 3,709	\$ 776
INITIAL PAYMENTS TO FISHERS*	\$ 9,775	\$ 11,324	\$ 9,775	\$ 11,324
ROUND EQUIVALENT KGS				
Pickerel/walleye	2,343	2,776	2,343	2,776
Sauger	463	89	463	89
Whitefish	1,063	1,264	1,063	1,264
Northern Pike	320	209	320	209
Mullet	346	207	346	207
Other	203	272	203	272
TOTAL WEIGHT	4,738	4,817	4,738	4,817

* Delivery Point, net freight

** All figures are preliminary until audited at the Corporation's fiscal year-end of April 30

PERFORMANCE HIGHLIGHTS

The first quarter has given the 2009/10 fiscal year a strong start. Overall Sales revenues were up \$2.8 million, or 21.7% vs. the prior year. For the quarter, sales of pickerel/walleye were up due to a marketing promotion to mitigate excess large fillet inventory. Northern pike volumes were up as marketing programs undertaken in the spring at key customers drove incremental loads into France. Whitefish sales were below expectations as whole fresh fish sales were negatively impacted by a reduction in the amount of fresh available for sale, coupled with aggressive competitive price reductions in the New York market.

Net Earnings were significantly affected by the required mark-to-market accounting treatment of our currency hedging operations. Mark-to-market at the end of the quarter created an extraordinary gain to earnings of approximately \$2.2 million. The reader should factor this in when comparing the latest earnings of \$3.7 million against last year's \$0.7 million. Management expects ongoing movement in currencies to bring extraordinary gains to zero over the balance of the year.

Although pickerel/walleye deliveries are down against last year, when the sauger volume is taken into account total deliveries are about level with last year. Of more concern is the decline in whitefish deliveries after a strong year in 2008/09. Management is taking corrective action to bring deliveries back to budgeted volumes.

Noteworthy Items from the First Quarter:

- The Board held its 4th Quarter Review meeting on June 24-25, 2009, and its 2008/09 Year-End Review on July 29-30, 2009, at which time the 2008/09 Annual Report was approved for submission to Ottawa.
- Plant and Quality Assurance Managers traveled to China and toured several plants there in May.
- The sixth annual FFMC Productivity Workshop was held May 12.
- Gerald Malone, VP of Special Projects, and Stephen Kendall, VP of Operations, retired from FFMC; former Plant Manager David Northcott was promoted to VP of Operations.
- The plant was shut down for three weeks in May for annual maintenance projects.
- Health & Safety committee meetings were held in June and July.

Canada



09/10

Highlights by Province

MANITOBA (numbers in thousands)

- Initial payments to Manitoba fishers in the first quarter were down by 11% from Q1 last year, reflecting lower initial prices this year.
- Pickeral/walleye deliveries were down 15% compared to Q1 last year.
- Sauger deliveries, however, were up 420% but over a much smaller base.
- Mullet and pike deliveries were up 84% and 51% respectively compared to Q1 last year.
- Whitefish deliveries were down 6% in the quarter.

	First Quarter		Year-To-Date	
	This Year	Last Year	This Year	Last Year
INITIAL PAYMENTS				
TO FISHERS*	\$ 9,055	\$ 10,227	\$ 9,055	\$ 10,227
Round Equivalent Kgs				
Pickeral/walleye	2,314	2,730	2,314	2,730
Sauger	463	89	463	89
Whitefish	542	579	542	579
Northern Pike	269	178	269	178
Mullet	321	174	321	174
Other	74	139	74	139
TOTAL WEIGHT	3,983	3,889	3,983	3,889

* Delivery Point, net freight

SASKATCHEWAN (numbers in thousands)

- Initial payments were down 18% due to lower initial prices, as deliveries were essentially on a par with the first quarter of last year.
- Whitefish deliveries were down 1% from Q1 last year.
- Northern Pike deliveries were up 88% over Q1 last year but this was also on a small base.
- The "other" category was down 11% from last year. This category consists of lake trout.

	First Quarter		Year-To-Date	
	This Year	Last Year	This Year	Last Year
INITIAL PAYMENTS				
TO FISHERS*	\$ 442	\$ 542	\$ 442	\$ 542
Round Equivalent Kgs				
Pickeral/walleye	22	15	22	15
Sauger	0	0	0	0
Whitefish	299	303	299	303
Northern Pike	32	17	32	17
Mullet	24	32	24	32
Other	104	117	104	117
TOTAL WEIGHT	481	484	481	484

* Delivery Point, net freight

ALBERTA (numbers in thousands)

- Initial payments to fishers in Alberta decreased by 72% compared to the first quarter last year, due to lower initial prices and a sharp decline in deliveries.
- There was a 60% decline in whitefish deliveries from Lesser Slave Lake compared to Q1 last year, as a result of a deliberate decision to shift more of the lake quota to the fall season.

	First Quarter		Year-To-Date	
	This Year	Last Year	This Year	Last Year
INITIAL PAYMENTS				
TO FISHERS*	\$ 73	\$ 262	\$ 73	\$ 262
Round Equivalent Kgs				
Pickeral/walleye	1	28	1	28
Sauger	0	0	0	0
Whitefish	82	203	82	203
Northern Pike	1	0	1	0
Mullet	0	0	0	0
Other	0	2	0	2
TOTAL WEIGHT	84	233	84	233

* Delivery Point, net freight

NORTHWEST TERRITORIES (numbers in thousands)

- Initial payments to NT fishers were 30% lower than for the first quarter last year, due to lower initial prices and deliveries being 11% lower.
- Whitefish deliveries were 23% lower in the quarter despite increased efforts to encourage extra participants into this fishery.
- The pattern of year-over-year declines in participation and fishing effort continues to plague the Great Slave Lake fishery.

	First Quarter		Year-To-Date	
	This Year	Last Year	This Year	Last Year
INITIAL PAYMENTS				
TO FISHERS*	\$ 198	\$ 284	\$ 198	\$ 284
Round Equivalent Kgs				
Pickeral/walleye	6	3	6	6
Sauger	0	0	0	0
Whitefish	137	177	137	177
Northern Pike	13	9	13	9
Mullet	0	0	0	0
Other	25	15	25	15
TOTAL WEIGHT	181	204	181	204

* Delivery Point, net freight

NORTHWESTERN ONTARIO (numbers in thousands)

- There were a few small deliveries of whitefish and northern pike from Northwestern Ontario during the first quarter.
- Deliveries were on par with those of last year.

	First Quarter		Year-To-Date	
	This Year	Last Year	This Year	Last Year
INITIAL PAYMENTS				
TO FISHERS*	\$ 8	\$ 9	\$ 8	\$ 9
Round Equivalent Kgs				
Pickeral/walleye	0	0	0	0
Sauger	0	0	0	0
Whitefish	1	2	1	2
Northern Pike	5	4	5	4
Mullet	1	1	1	1
Other	1	1	1	1
TOTAL WEIGHT	8	8	8	8

* Delivery Point, net freight

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